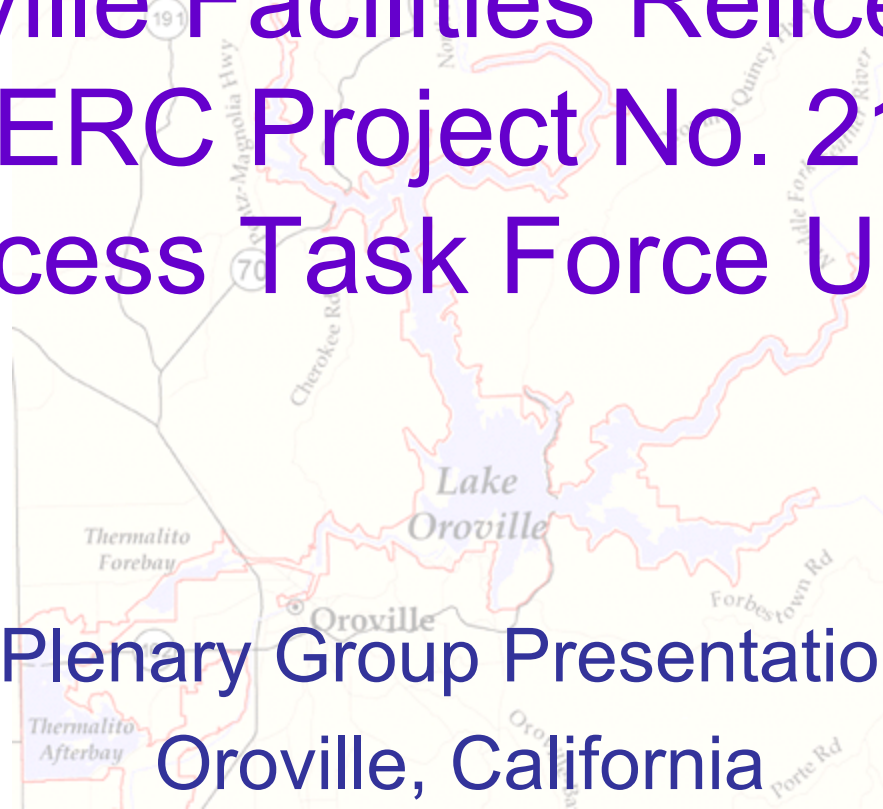


Oroville Facilities Relicensing FERC Project No. 2100 Process Task Force Update

Plenary Group Presentation

Oroville, California

September 23, 2003



Participants In Task Force Meetings

- Berry Creek Rancheria
- Butte County
- Butte County Counsel
- Butte County Relicensing Committee
- CA Department of Fish and Game
- CA Department of Water Resources
- CA Horsemen's Assn. Region II
- City of Oroville
- Enterprise Rancheria
- Kearns & West (facilitator)
- Metropolitan Water District of Southern CA
- HET Consulting Team
- Mooretown Cultural Resource Center
- National Park Service
- Natural Heritage Institute
- NOAA Fisheries
- Porgans and Associates
- State Water Contractors
- State Water Resources Control Board
- Town of Paradise
- US Department of the Interior
- US Fish and Wildlife Service

Process Task Force Update

April 2003

- Process Task Force begins revisions of Process Protocol to include Settlement Negotiations Protocol

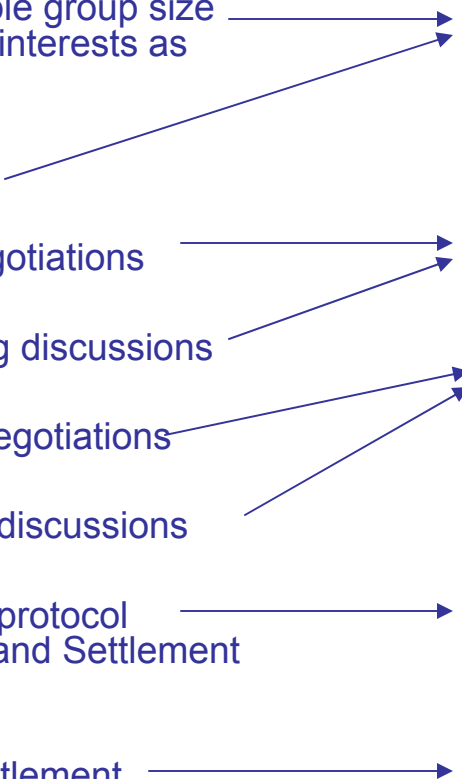
May - Sept 2003

- Process Task Force develops proposed revisions to the Process Protocol

Oct-Nov 2003

- Plenary reviews Settlement Process Protocol for approval

Summary of Major Revisions

- Created Structure of Settlement Negotiation Group
 - Encourages a manageable group size that represents as many interests as possible
 - Encourages caucuses
 - Sets a time frame for negotiations
 - Sets a process for ending discussions
 - Encourages good faith negotiations
 - Encourages confidential discussions
 - Outlines communication protocol between Plenary Group and Settlement Negotiation Group
 - Clarifies execution of Settlement Agreement
 - Reason for Changes
 - Settlement negotiations require a manageable group size; all Plenary and Work Group participants are encouraged to participate either directly or through a caucus
 - Time frames are tight, considering regulatory deadlines
 - Being able to explore and test ideas without prematurely committing to outcomes requires good faith and, to the extent possible, confidential discussions
 - Requires significant commitments of all stakeholders' time and resources
 - Acknowledges that organizations and individuals will make their own decisions about whether to sign the Settlement Agreement
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Summary of Major Revisions

- Clarified Agencies' Roles in Settlements —————→ • Some agencies will participate as advisors, but will not negotiate or execute Settlements, nor make pre-decisional commitments. Agencies preserve their independent mandatory or recommending conditioning authorities based on statutes.
- Clarified Roles of Participants and their Representatives —————→ • Participants and Representatives play important roles in Settlement discussions.
- Added Definition of Terms —————→ • Clarifying terms and minor updates are helpful to improve understanding of the document.
- Effected Minor Updates to Overall Process Protocols ↗

Can Settlement Discussions Be Treated As Confidential?

- Representatives are expected to respect confidentiality to the extent allowed by law
- Representatives are expected to keep their caucus and organizations informed
- Experience suggests confidentiality improves chances of settlement

What is the Role of the Plenary Group in Settlement Discussions?

- Plenary Group “shepherds” but does not conduct Settlement discussions
- Decision whether to execute Settlement Agreement is individual
- Settlement discussions are open to those who agree to respect confidentiality
- Plenary Group provides feedback and receives updates
- Plenary Group members are encouraged to participate, preferably maximizing use of representatives